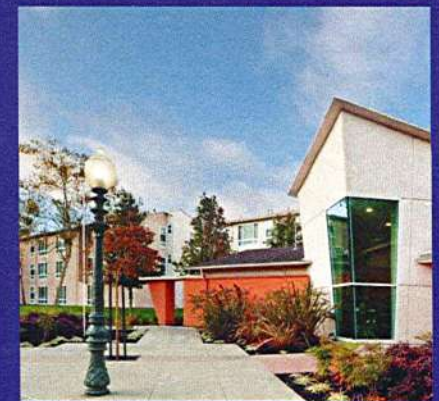


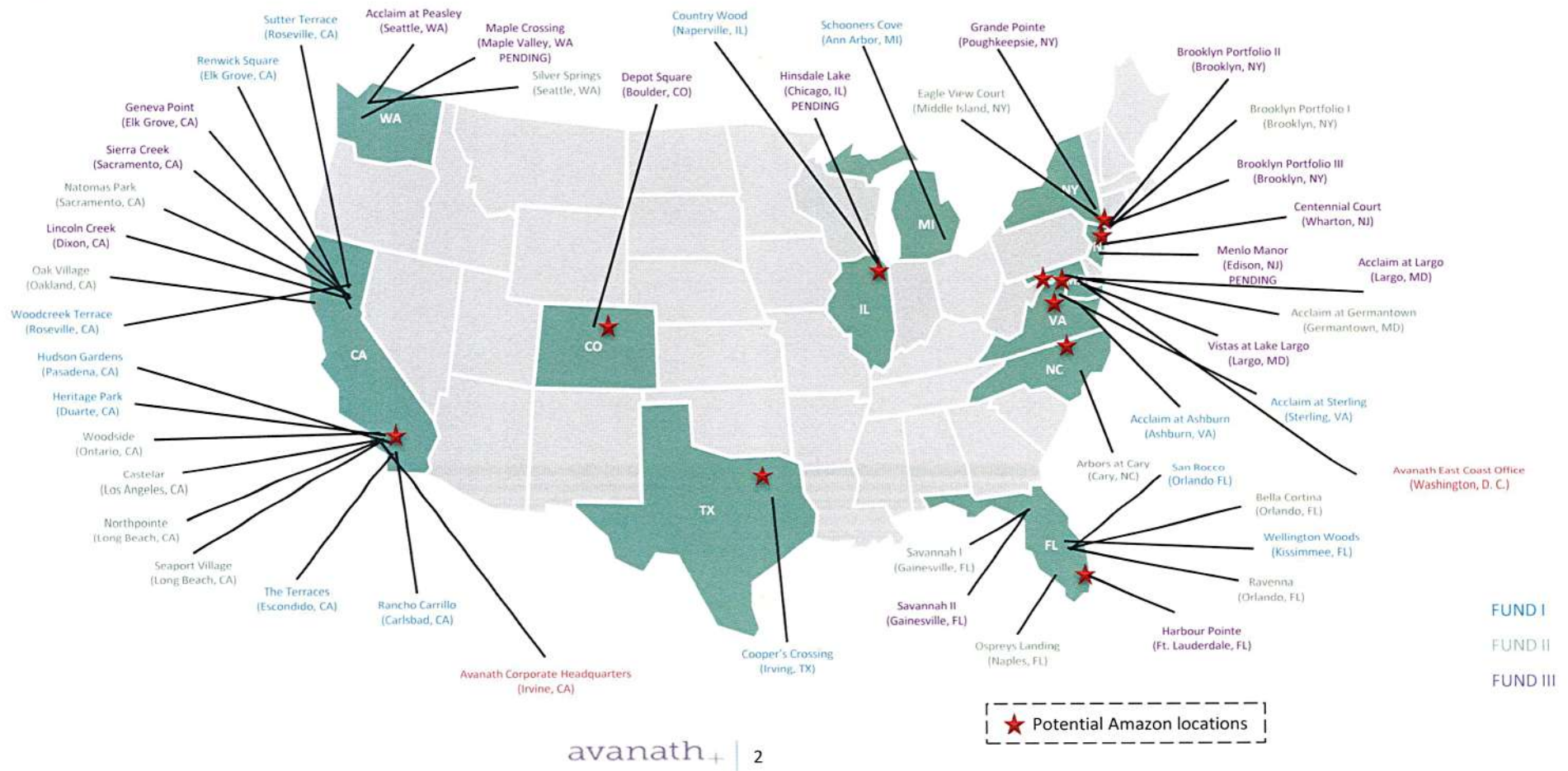
avanath+

LIFESTYLE WITHIN REACH



CONFIDENTIAL

avanath's footprint



affordable housing market

A Tale of Two Properties – Market Rate Compared to Affordable Housing

The Emerson LA

Rent Levels: \$2,800 - \$5,000



Castelar Apartments

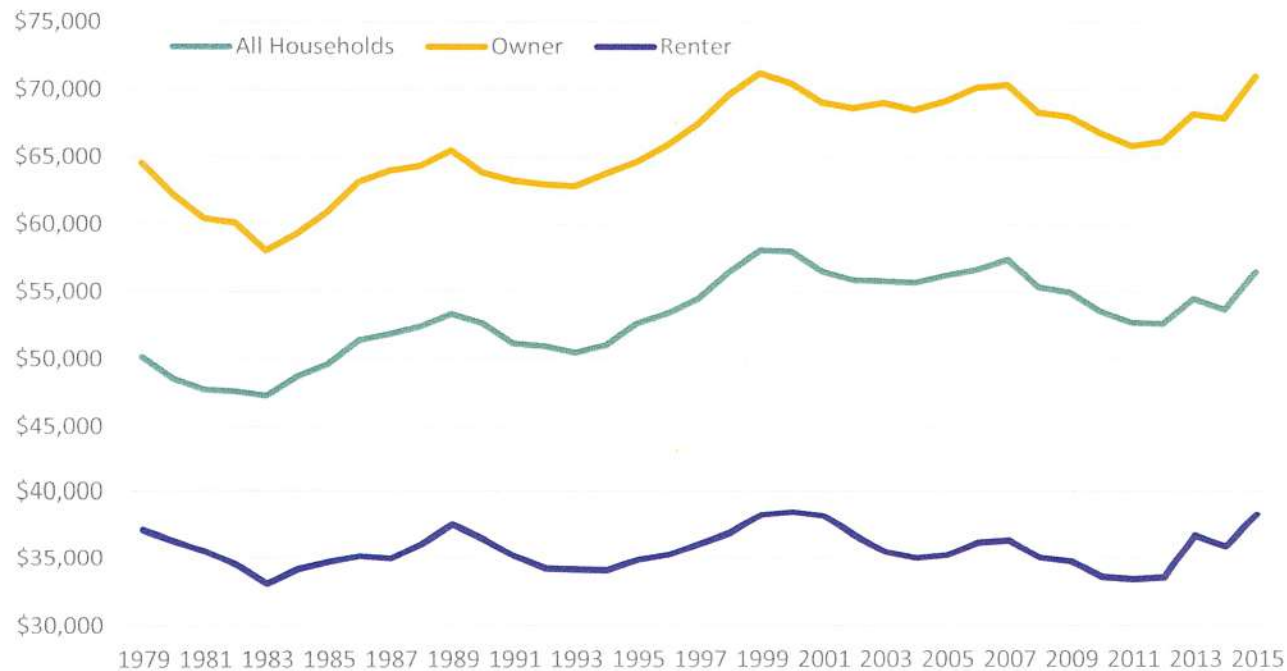
Rent Levels: \$610 - \$1,300



The Emerson LA is a luxury apartment building located 1 mile southwest of Castelar Apartments in downtown Los Angeles. The assets are a prime representation of the rental gap in major metropolitan areas.

affordable housing data

Median income of renters is \$38,000



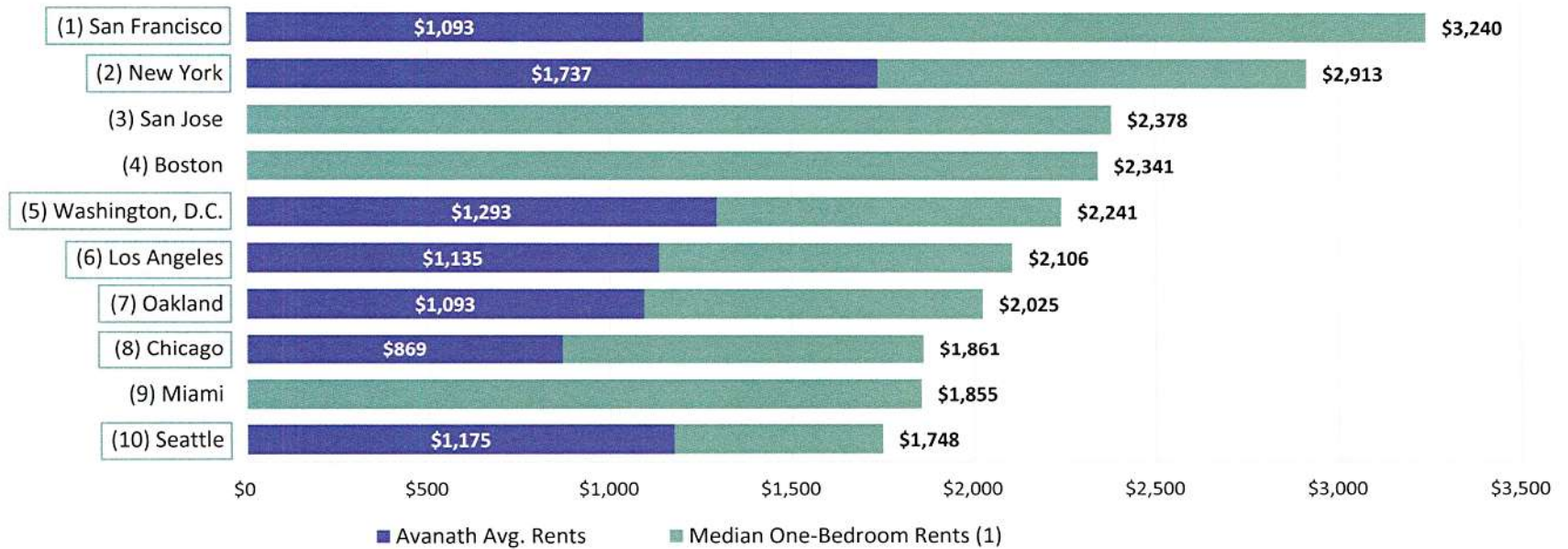
Source: Census Bureau; NMHC

affordable housing market

Avanath invests in markets where renters have high cost burdens

Top most expensive markets

Market Rate Rents vs. Avanath Avg. Rents



Avanath Markets

(1) Averaged, January-June 2017
Source: ABODO.com

avanath California portfolio

Property	Units	Occupancy	Avg Rent	Waitlist	Turnover
Lincoln Creek	172	98%	1,047	702	13%
Geneva Pointe	152	100%	919	603	10%
Sierra Creek	144	98%	794	295	9%
Natomas Park	212	99%	1,135	202	34%
Sutter Terraces	100	100%	774	221	8%
Renwick Square	150	97%	775	344	12%
Woodcreek Terrace	104	100%	851	151	14%
Oak Village	114	98%	1,089	752	15%
Heritage Park	119	99%	1,044	12	15%
Woodside	144	97%	916	53	18%
Hudson Gardens	41	100%	1,150	239	15%
Castelar	101	100%	904	780	4%
Northpointe	528	100%	1,129	945	11%
Seaport Village	358	96%	1,493	-	26%
Rancho Carrillo	116	100%	1,249	254	9%
The Terraces	190	99%	1,113	1,690	7%
TOTAL	2,745	99%	1,024	7,243	14%

CHFA debt is highlighted

California market trends

- **Strong demand for larger units** – occupied by multigenerational families and other family configurations
- **Strong demand for residents over 50 years of age and senior communities**
- **Continued migration to more affordable cities and regions** – Long Beach, Sacramento, Solano County, Northeast San Diego County – with strong job growth
- **Increasingly diverse rental population**
- **Area median income growth**

area median income

MSA	2017 AMI	2018 AMI	2018	2019*
Riverside-San Bernardino-Ontario, CA	63,200	65,800	4.11%	6.09%
Oakland-Fremont, CA	97,400	104,400	7.19%	7.69%
San Diego-Carlsbad, CA	79,300	81,800	3.15%	5.75%
Los Angeles-Long Beach-Glendale, CA	64,300	69,300	7.78%	5.63%
Sacramento--Roseville--Arden-Arcade, CA	75,200	80,100	6.52%	4.61%

* Projections provided by Novogradac

avanath initiatives

Smart Renovations

Bella Cortina – Orlando, FL



Before



After

avanath initiatives

Resident Services

Northpointe Apartments – Long Beach, CA



Before



After

Girls Basketball



suggestions for CHFA

- Financing with tax abatement program for affordability limits of 80% - 90% of AMI
- Tax exempt multifamily bonds with existing affordability restrictions, either 20% at 50% of AMI or 40% at 60% of AMI, **PLUS** tax abatement
- Streamline loan process
- Develop products to complement Fannie and Freddie
- Provide incentives for resident services and sustainability